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PP RUEHPA
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ZNY CCCCC ZZH
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FM AMEMBASSY ABIDJAN
TO RUEHC/SECSTATE WASHDC PRIORITY 4430
INFO RUEHZK/ECOWAS COLLECTIVE
RHMCSUU/EUCOM POLAD VAIHINGEN GE

C O N F I D E N T I A L SECTION 01 OF 02 ABIDJAN 000522

SIPDIS

E.O. 12958: DECL: 08/01/2018
TAGS: [EMIN](#) [PGOV](#) [MARR](#) [KCOR](#) [PREL](#) [ECON](#) [IV](#)
SUBJECT: THE FORCES NOUVELLES AND THE DIAMOND TRADE IN
SEGUELA

REF: ABIDJAN 459

Classified By: EconChief EMassinga, Reasons 1.4 (b,d)

11. (C) Summary. During a recent visit to Bouake and Seguela, Emboffs probed the issue of whether control of the region's diamonds was a factor in the recent clash between factions of the Forces Nouvelles (FAFN). Emboffs met with Deputy FAFN Chief Wattao, who said that the Forces Nouvelles were uninvolved in the control or protection of the diamond trade. However, other interlocutors (UN officials, local leaders of the major political parties and the local representative of the central government's Ministry of Mines and Energy) indicated the opposite and said the diamond trade was an active and lucrative enterprise for senior FAFN leaders. End Summary.

12. (C) Abidjan-based observers have speculated openly that control of the diamond trade in Seguela was the underlying issue that led to a June 28-30 clash between Forces Nouvelles factions loyal to former Zone Commander (ComZone) Zakaria Kone and those loyal to FAFN Deputy Chief of Staff Wattao. During a recent visit to Seguela, DCM and Econ chief discussed the issue with a wide range of officials including local political leaders, Seguela-based representatives of the United Nations Operation in Cote d'Ivoire (UNOCI), and the local representative of the central government's Ministry of Mines and Energy. Based on these discussions, it appears that the diamond trade was an element of, if not the only reason for the clash.

13. (C) Emboffs raised the diamond trade with Wattao, the "interim" ComZone in Seguela, who said only that the Ivorian Ministry of Mines and Energy had recently sent the Forces Nouvelles a letter asking for "better security for diamond miners in the Seguela area." Wattao asserted that the FN had made a decision to stay out of the issue altogether and to let "civilians" remain in control of diamond mining.

14. (C) The deputy prefect of Seguela explained to Emboffs that diamond production in the Seguela region is unmechanized and remains very artisanal. Emboffs witnessed mining activities at a small mine near Bobi, about 15 kilometers from Seguela where they observed miners digging and working the sites by hand, using only portable generators to power pumps evacuating the water out of the mine sites. The UNOCI regional Force Commander told Emboffs (despite an apparent headquarters order to avoid discussion of diamonds) that aerial surveillance of the region indicates there are "more than 100 active small artisanal diamond mines in the area around Seguela and Bobi."

15. (C) The Seguela region Ministry of Mines and Energy representative told Emboffs that local production is substantial, and some stones of up to 10 carats have been found. The area generates less overall value than the more well-known Tortiya diamond-producing region, but is a major producer nonetheless. He said "many" Malian, Guinean and Burkinabe men, eager to find their fortune, come to work the

mines, establishing rough camps. Diamond buyers supply food and equipment on credit, and purchase diamonds on discount accordingly. The Ministry representative said that Ivoirian diamonds are theoretically stockpiled until a new arrangement with the Kimberly Process is worked out, but he intimated clearly that diamonds are seeping out to neighboring countries. He singled out Mali, which is now a Kimberly signatory and had little to no known diamond production before Cote d'Ivoire was cut off from exporting diamonds in 2002. Speaking candidly, the Ministry of Mines representative said "they say agriculture is the main industry in this region, but that is not true. It is diamond mining that is the motor of this region's economy", confirming Emboffs' impression that the exploitation of diamonds in the region is substantial and extensive.

15. (C) Local representatives of the major political parties underscored the importance of diamonds to the region and to the FN in their conversations with Emboffs. The FPI representative in Seguela said that he comes from a diamond-producing village in the region and could attest to the fact that "diamonds have paid for a lot of things" acquired by the Forces Nouvelles. The Seguela PDCI representative confirmed that the quality of Seguela diamonds is known to be good and that diamond buyers who were active in the region prior to the outbreak of hostilities in 2002 had fled, leaving the local ComZone and his entourage with an effective lock on the diamond trade. Prices paid to diamond miners by intermediaries authorized by the FN are low but miners have no recourse but to sell at prices offered. The PDCI representative reported that prior to the war, the state governed the sector, but now that the state has no effective

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control and cannot benefit through taxation or patronage, it appears to be largely uninterested in what is happening.

16. (C) Comment. Emboffs look at the diamond trade in Seguela suggests that the industry is quite active. The topic is politically sensitive, as evidenced by the UNOCI commander's reticence to address the topic and ComZone Wattao's unsolicited disavowal of any FN role in controlling the trade. Firm conclusions about what role the diamond trade did or did not play in the intra-FAFN clash in late June cannot be made at this juncture. It is fairly clear, however, that the former Zone Commander did have a role in the trade and, that in the absence of central government authority, some element of the Forces Nouvelles will continue to carry out that role.

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